

FISCAL NOTE

SB 148 - HB 605

April 18, 2005

SUMMARY OF BILL: Places a moratorium on the development of on-line higher education courses or programs until a plan is developed by the UT system and the Tennessee Board of Regents system that prevents individual campuses from developing on-line courses or programs that duplicate courses or programs offered by the respective system or other campuses within each such system.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues – Exceeds \$1,000,000

Assumptions:

- *On-line* courses refer only to credit courses.
- To the extent a moratorium on new course development results in the lack of courses for students to take and a delay or cancellation of programs, a loss of tuition to the college or university could result.
- The Regents Online Degree Program (RODP) and campus on-line courses consist of a large number of non-traditional students who potentially could not attend traditional college courses held on-campus or in off-campus sites due to scheduling conflicts.
- TBR estimates approximately 68% of their on-line students could not take courses if the only delivery methods for courses were on-ground at scheduled times.
- TBR generates in excess of \$18,000,000 through its RODP and campus on-line programs and estimates that the loss of revenues from the moratorium could exceed \$1,000,000.
- The University of Tennessee estimates a loss of revenues of approximately \$100,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director